

UPDATE/Clarification **Investment Returns are 1.54%--not growth of fund**

WALLACE-FOLSOM PACT REBOUNDED AS FINANCIAL MARKETS RECOVER

Fund realizes positive annual return after last year's economic collapse

(Montgomery, AL – October 15, 2009) Today State Treasurer Kay Ivey reported that the financial condition of the Wallace-Folsom Prepaid Affordable College Tuition program has experienced rebounding thanks to the recent, recovering progress of the financial markets.

According to preliminary annual results received, the Wallace-Folsom PACT investment return is approximately 1.54% during the last fiscal year (October 1, 2008, through September 30, 2009). Additionally, during the past two fiscal quarters (April 1, 2009, through September 30, 2009), the value of the Wallace-Folsom PACT fund has grown by approximately 29.42%. In the last month alone, from August 31st to September 30th, the fund's value increased approximately \$11.5 million (or 3.53%). The current value (as of September 30, 2009) of the Wallace-Folsom PACT fund is approximately \$526,132,496.00.

"The Wallace-Folsom PACT fund's invested assets are tied to the performance of the financial markets," Ivey explained. "When the markets go up or down, the fund's value will follow."

"Last winter, when things were so bleak and our country was teetering on the edge of a depression, I felt I had the responsibility as State Treasurer and Chairwoman of the PACT Board to inform the PACT accountholders about the potential impact of the market decline on the Wallace-Folsom PACT fund."

"I have now received the fund's preliminary year-end results and am reporting that the Wallace-Folsom PACT's bottom line has improved. As long as the financial markets continue their steady recovery, the assets in the Wallace-Folsom PACT fund should continue to gain in value."

Ivey noted that all eligible Wallace-Folsom PACT students are being fully served during the economic turmoil. Since its creation in 1990, more than 14,000 students have been served by the Wallace-Folsom PACT fund."

"Alabamians, as well as all concerned accountholders, can find all current Wallace-Folsom PACT information at www.800alapact.com," Ivey said. "The site is updated at 2PM every Friday afternoon with any new information."

For additional information, contact Rita Pope in the State Treasurer's Office at (334) 242-7500.

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